

ALABAMA REAL ESTATE APPRAISERS BOARD
ADMINISTRATIVE CODE

CHAPTER 780-X-2
DEFINITIONS

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780-X-2-.01 Definitions Of Terms

780-X-2-.01 Definitions Of Terms. To the extent not defined within these rules and regulations, Section 34-27A-2, Code of Ala. 1975, provides for definitions of the following terms:

- (a) Appraisal;
- (b) Appraisal Subcommittee, Subcommittee; or ASC;
- (c) Appraisal Foundation, Foundation;
- (d) Appraisal Report;
- (e) Board, The State of Alabama Real Estate Appraisers Board established pursuant to this chapter;
- (f) Certified Appraisal or Certified Appraisal Report;
- (g) Executive Director;
- (h) Federally Related Transaction;
- (i) Federal Financial Institutions Regulatory Agencies;
- (j) Financial Institution;
- (k) Licensed Real Estate Appraiser;
- (l) Real Estate;
- (m) Real Estate-Related Financial Transaction;
- (n) Real Property;
- (o) Appraisal Qualifications Board or AQB: a private corporation created pursuant to FIRREA which establishes the

minimum education, experience and examination requirements states must require of applicants for certified classifications of real property appraisers;

(p) Appraisal Standards Board or ASB: a private corporation created pursuant to FIREEA which develops, interprets and amends the Uniform Standards of Professional Appraisal Practice (USPAP);

(q) Uniform Standards Of Professional Appraisal Practice (USPAP): Standards promulgated by the Appraisal Foundation and adopted by rule;

(r) FIRREA: Financial Institutions Reform, Recovery and Enforcement Act of 1989, Pub. L. No. 101-73, and any amendments thereto, as codified in Title XI of the United States Code;

(s) Appraisal Management Company: An external third party including, but not limited to, a corporation, partnership, sole proprietorship, subsidiary, or limited liability company, authorized either by a creditor of a consumer credit transaction secured by the principal dwelling of a consumer or by an underwriter of or other principal in the secondary mortgage markets, that oversees a network or panel of more than four certified or licensed appraisers in a state or 25 or more nationally in a given year, that performs appraisal management services;

(t) Appraisal Management Services: To directly or indirectly perform any of the following functions for a fee on behalf of a lender, financial institution, or any other entity:

1. Recruit, select, and retain appraisers;
2. Contract with licensed and certified appraisers to perform appraisal assignments;
3. Manage the process of having an appraisal performed, including providing administrative duties such as receiving appraisal orders and appraisal reports, submitting completed appraisal reports to creditors and underwriters, collecting fees from creditors and underwriters for services provided, and reimbursing appraisers for services performed; and
4. Review and verify the work of appraisers.

(u) Appraiser: A person who holds a license or certification to complete a real estate appraisal in the state

where real property that is the subject of the appraisal is located;

(v) Appraiser Independence: The ability of an appraiser to provide an appraisal or appraisal review services in exchange for a customary and reasonable fee without coercion, extortion, collusion, inducement, intimidation, bribery, or any other action by a regulated party intended to influence the opinion rendered by an appraiser;

(w) Appraiser Panel: A network of licensed or certified appraisers who are independent contractors of an appraisal management company;

(x) Appraisal Review: The act of developing and communicating an opinion about the quality of the work of another appraiser that was performed as part of an appraisal assignment, except that an examination of an appraisal for grammatical, typographical, or other similar errors that do not make a substantive valuation change is not an appraisal review;

(y) Geographic Competency: The familiarity of an appraiser with a market or a geographic area applicable to the problem to be addressed in an appraisal or an appraisal review assignment;

(z) Principal Contact: An individual employed, appointed, or authorized by an appraisal management company to serve as the principal contact for the board; and

(aa) Real Estate Appraisal Services: The practice of accepting an assignment to develop and report an opinion on the value of real property in conformance with the Uniform Standards of Professional Appraisal Practice published by the Appraisal Foundation.

(bb) Covered Transaction: Any consumer credit transaction secured by the consumer's principal dwelling.

(cc) Evaluations. A valuation of real property for a lending institution which is permitted by rules of any Federal Financial Institution Regulatory Agency for transactions that do not require an appraisal.

Author: Alabama Real Estate Appraisers Board

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